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E-news

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Pat Quinn, Governor
Julie Hamos, Director

Illinois Department of Healthcare and Family Services

Greetings from HFS Director Julie Hamos

Welcome to another periodic edition of HFS e-news to keep you updated on program changes. To register for future editions, please visit [HFS E-News Online Registration](#) or download for others who might be interested by visiting: hfs.illinois.gov/enews

If you are a Medicaid client, this newsletter is not the official notification of any changes that may impact you, and you do not have to respond in any way. This is general information for the public.

Thank you,

Julie Hamos

Medicaid Budget Update

We have written before about the budget crisis facing the Medicaid Program. The Department of Healthcare and Family Services budget for Medicaid was on the brink of collapse with a \$2.7 billion deficit in the coming year – as well as \$1.9 billion in unpaid bills carried over from the current year.

The General Assembly has now passed a package of Medicaid legislation to fill the \$2.7 billion budget hole. These changes are available for your review through the [HFS Web site](#):

- [SB 2840 \(pdf\)](#): "Save Medicaid Access and Resources Together Act" (SMART Act) includes \$1.6 billion in 62 spending reductions, utilization controls and provider rate cuts -- all 62 issues included in the SMART Act are itemized in the [Final Budget Actions Worksheet on the HFS Web site](#).
- [SB 2194 \(pdf\)](#): \$1 per pack cigarette tax increase provides \$700 million for Medicaid; a new hospital assessment program provides \$100 million for Medicaid (and \$480 million for hospitals); also includes charity care standards for property tax exemptions for non-profit hospitals
- [HB 5007 \(pdf\)](#): The Cook County Waiver authorizes the Cook County Health & Hospitals System to provide a limited Medicaid coverage to their patients, at no cost to the state, prior to the Affordable Care Act 2014 implementation; also extends the state's moratorium on Medicaid expansion to 2015
- [SB 3397 HA#1 \(pdf\)](#): Section 25 of the State Finance Act as related to Medicaid payments is phased out, to end the long-time practice of balancing the budget by pushing unpaid Medicaid bills into the next fiscal year

The state budget will also provide funding to reduce the unpaid bills that we expect to have at the end of the current fiscal year to \$600 million—a much more manageable amount.

The [HFS Web site has a general fact sheet on the entire legislative package](#) for you to download and distribute to colleagues. Most of the Medicaid changes included in the SMART Act will have a July 1 effective date.

Five Important Changes for Medicaid Clients

The HFS Web site also includes the [Information for Clients Fact Sheet \(pdf\)](#). The following are some of the most important changes for clients in the new Medicaid law:

1. Most people who are eligible now will still be covered. Some adults will lose benefits. Anyone in a program that is ending will get a notice addressed to them individually. These include:
 - Adults enrolled in Illinois Cares Rx
 - Adults enrolled in FamilyCare Share, one of the FamilyCare Premium levels or FamilyCare Rebate – for income levels see [FamilyCare Levels](#).
 - Adults living in Chicago enrolled in General Assistance medical program
 - No children will lose eligibility because of the SMART Act (Senate Bill 2840).
2. Dental care for adults will be limited to only care needed to treat an emergency condition.
3. An adult or child is limited to no more than four prescriptions in a month – but a doctor may request and the department may give prior approval for more than four prescriptions.
4. Adults will have co-payments of \$3.65 for doctors' office and clinic visits, and for using a hospital emergency room when they don't have an emergency. There will be co-payments of \$3.65 for brand name prescription drugs, and \$2.00 for generic drugs.
5. The eligibility of Medicaid clients will be checked on an ongoing basis, using tax returns, wage reports, drivers' license records and national databases, to make sure that income and residency requirements for Medicaid continue to be met. Any misrepresentation or fraud will be prosecuted criminally and/or with civil penalties.

New Deadline for Medicaid Providers Submitting Claims

In the [SMART Act \(SB 2840\) \(pdf\)](#), Pages 106-107 describe new procedures for providers to use in submitting claims for Medicaid payments. With the new law, claims must be submitted in 180 days, or 6 months (not a full year, as currently). This takes effect for services provided on or after July 1, 2012.

There will be numerous other changes for providers as a result of these 2012 Medicaid laws. Please review your [provider notices](#) and [provider handbook](#). The best news for Medicaid providers is that we plan to speed up payment processing and pay off a significant portion of the old bills. We understand that it has been a strain on Medicaid providers who have not been paid in a timely manner as a result of the state's budget problems.

Please feel free to ask questions or share comments by e-mailing: hfs.webmaster@illinois.gov